

## Current Market Outlook

**Domestic Weekly Price Scenario:** Cotton spot prices noticed firm tone during the week.

Average price of Kapas at Rajkot during the week was Rs. 6778 per quintal, which stood at Rs 6488 previous week. Average price of Lint at Sirsa during the week was Rs. 4927 per maund (of 37.32 Kg each), higher compared to the previous week price of Rs 4788. Cotton fiber (Shankar-6) prices remained firm this week. Average price was Rs 47833 per candy (of 355.6 kg each) during the week, which was Rs 45633 per candy previous week. Future price of cotton (at NCDEX, April'17 contract) closed higher this week at Rs. 1068.50 per maund (of 20 kg each) which was Rs 1013.50 a week earlier.

**Cotton Price Outlook (For Coming Week):** In the coming week we expect Kapas price to remain range bound to firm with the price band of Rs. 6500-7000 per quintal in the bench mark market. Lint price at Sirsa is likely to be in range of Rs 4800-5200 per maund. Kapas prices at NCDEX (April'17 contract), is expected to hover in the range of Rs. 1025-1100 per maund (of 20 kg each).

**Major Market Highlights:** News: Cotton Corporation Of India will sell its present cotton stock bought under Minimum Support Price to spinning mills belonging to the MSME category, registered with the Office Of Textile Commissioner. Although the cotton stock is enough and is expected to reach 43 lakh bales by the end of September, the Textiles Commissioner has been asked to keep monitoring the situation closely.

According to preliminary report by the government, cotton sowing as on 15th July, 2016 has been covered under 75.41 lakh hectares compared to 93.22 lakh hectares during the same period previous year.

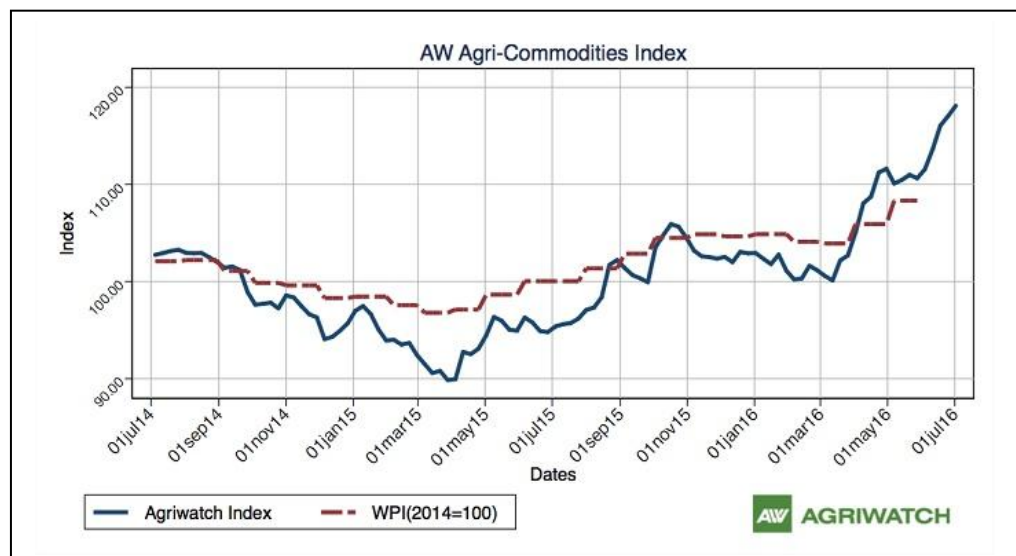
The Cotton Advisory Board has lowered cotton output in 2015-16 season on lower acreage. Cotton production estimates are 12 per cent lower at 338 lakh bales in 2015 -16 season compared to 386 lakh bales during the previous season. India's cotton imports have already touched 15 lb (14 lb) and may hit 18 lakh bales in next three months. The total cotton supply is estimated lower by three per cent to 419 lb (433 lb). Exports are seen higher at 68 lb (58 lb) even as domestic mill consumption dropping to 274 lb (278 lb) leading to higher demand of 376 lb (367 lb). The closing stock is expected to be lower at 43 lb (66 lb).

India exported 0.251 lakh bales of cotton last week (11 -17 July 2016), which was 0.184 lakh bales previous to last week (04 -10 July 2016), according to the data released by IBIS and compiled by Agriwatch.

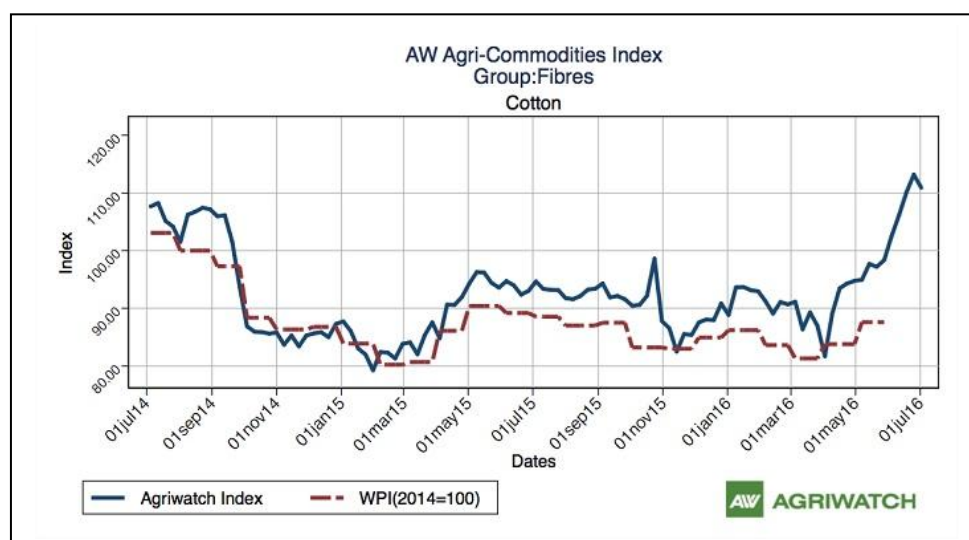
Major importer of Indian cotton during the week (11 -17 July, 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.190 lakh bales of cotton from India in the past week (11 -17 July, 2016). Other major importers were Vietnam, China, Indonesia and Japan and their imported volumes were 0.021 lakh bales, 0.017 lakh bales, 0.012 lakh bales and 0.001 lakh bales respectively.

# AW Cotton Index - 03 July. 2016

The Agriwatch Agri Commodities Index rose 0.91% to 118.11 during the week ended July 2, 2016, its 5th straight weekly gain, led by higher price of pulses. The base for the Index and all sub-Indices is 2014 (= 100).



The Fiber Index declined by -2.00% week-on-week.



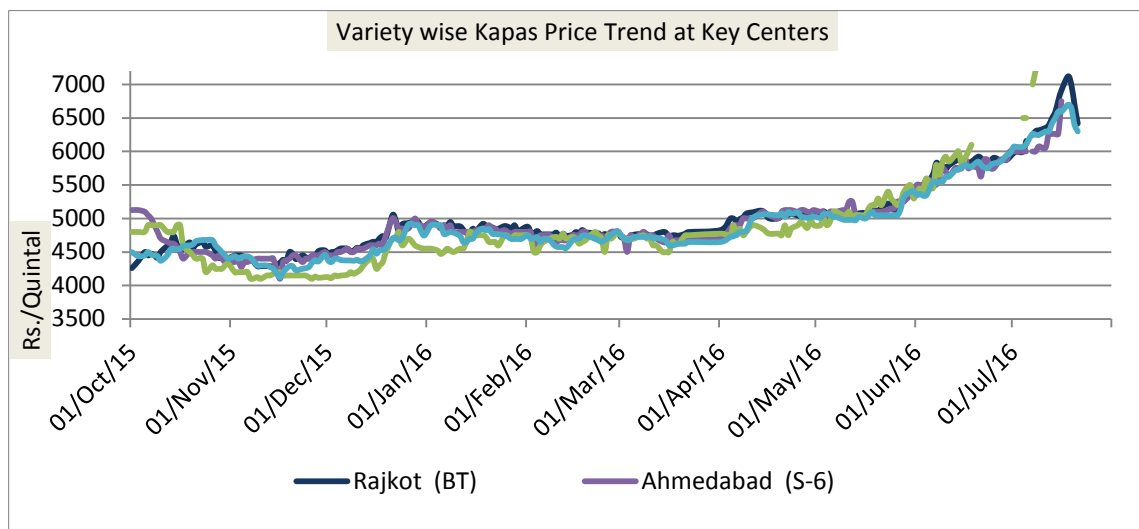
"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. The indices include an Aggregate Index, Category Indices and individual commodity indices. The weekly indices are free to access on our website [www.agriwatch.com](http://www.agriwatch.com). The daily indices are available on subscription. Please contact for more details."

## Domestic Cotton Prices Scenario

### Kapas (Raw Cotton) Weekly Price Scenario

#### Weekly Price Review:

Kapas price remained firm during the week amid lack of availability in the domestic market. Weekly average price of Kapas at Rajkot remained Rs. 6778 per quintal, fairly higher as compared to previous week price of Rs. 6488 per quintal.

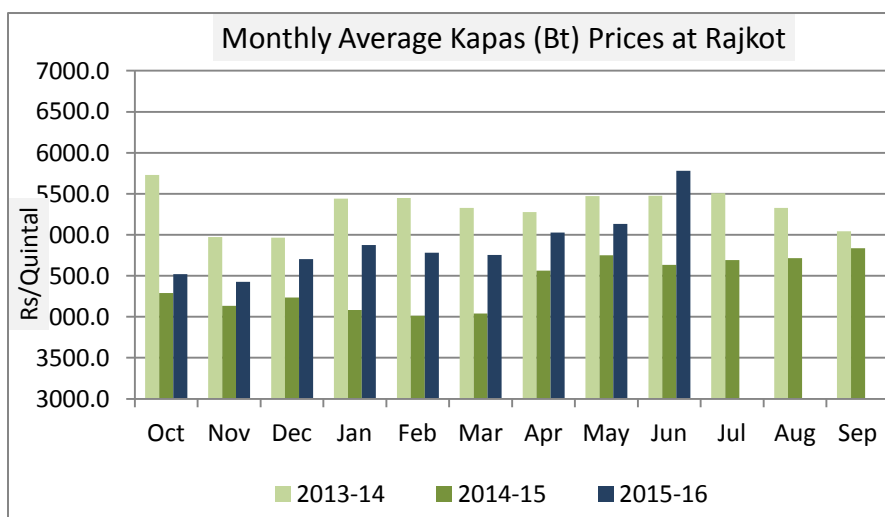


According to attached latest USDA report USDA attaché report, India's 2016/17 cotton production forecast is 28.00 million 480 lb. bales on marginally lower acreage of 11.8 million hectares. Yields are expected higherHigher yields are expected through a combination of better crop, pest, and weed management practices and assuming a normal monsoon

Weekly Price Outlook: Kapas prices are expected to remain range-bound to firm in coming days. The expected range for Kapas at Rajkot is Rs 6500-7000 per quintal for the coming week.

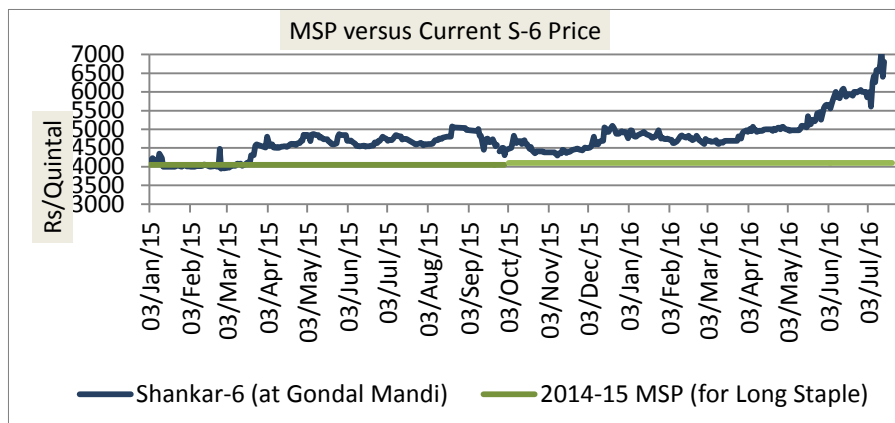
### Kapas Monthly Y-o-Y Price Scenario

Kapas (seed cotton) prices in country noticed firm momentum during the month of June month following the lack of availability and good export demand. The cotton price remained firm during June compared to the previous month, and the same is ruling higher compared to the prices during the corresponding month of the previous season.



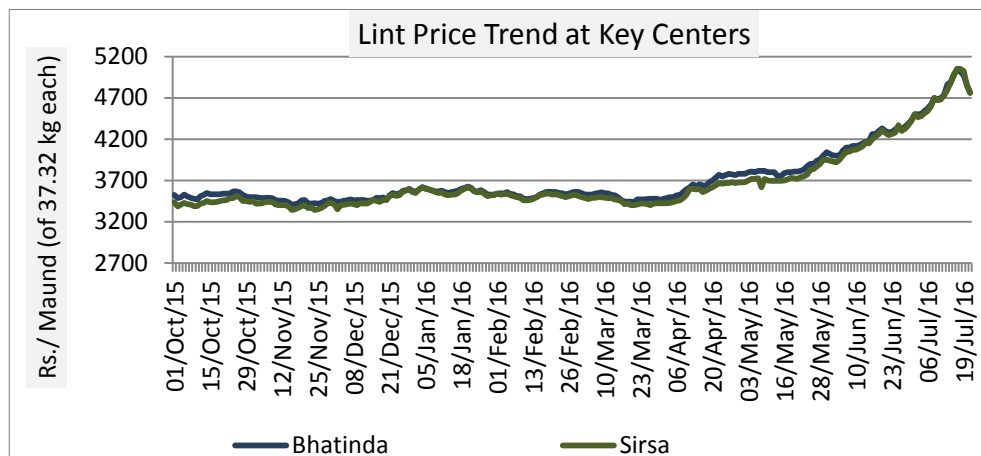
## Spot Price versus MSP

The Kapas prices are ruling above the MSP so far. The gap between the two prices has widened this week. The average gap between the prices was Rs 2609.17 this week compared to Rs 1965.83 a week earlier. This indicates prices are increasing.



## Lint (De-Seeded Cotton) Weekly Price Scenario

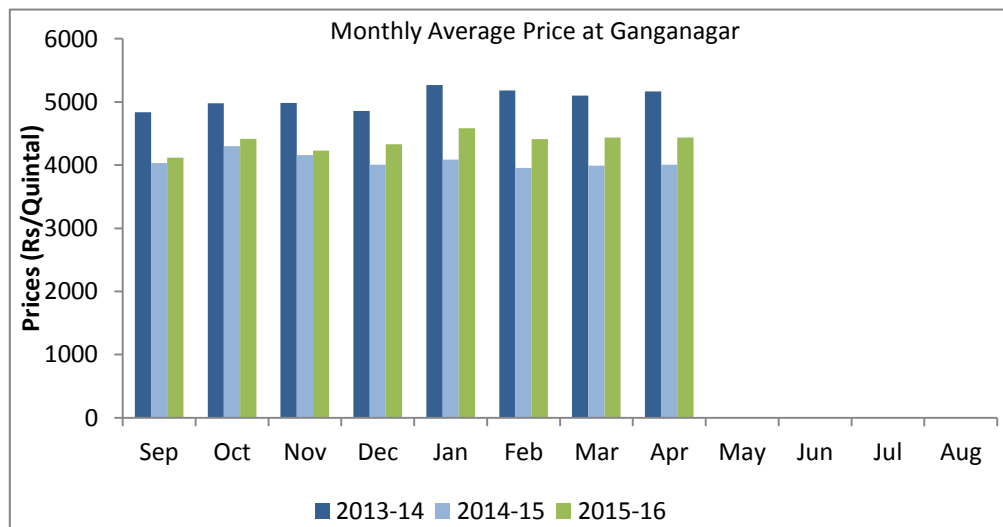
**Weekly Price Review:** As firm sentiments are prevailing in market, lint prices remained firm during the week. Weekly average price of Lint at Sirsa remained Rs. 4927 per maund of 37.32 kg each, higher compared to the previous week price of Rs. 4788 per maund.



**Weekly Price Outlook:** Lint prices are expected to remain range bound to firm during the week. We expect Lint at Sirsa to remain in range of Rs. 4800-5200 per maund.

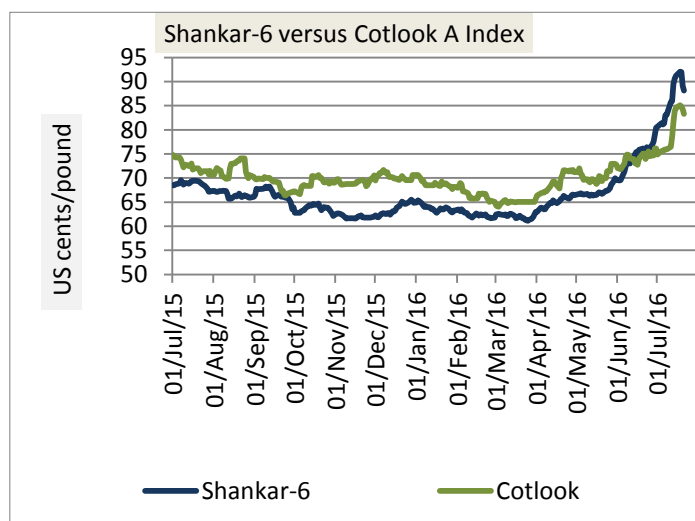
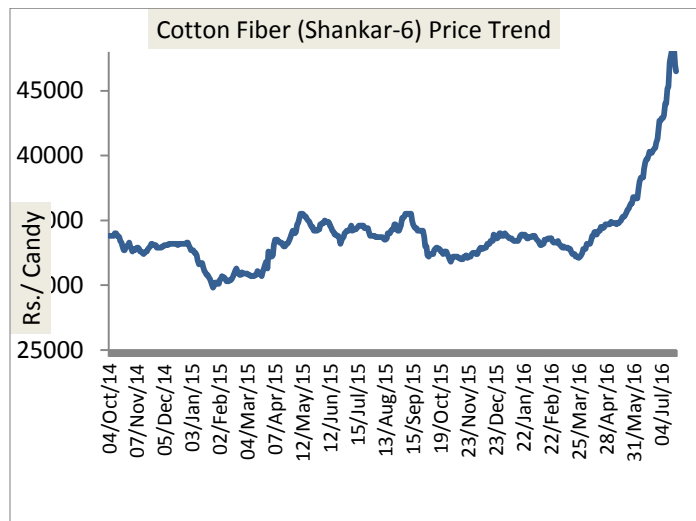
## Lint Monthly Y-o-Y Price Scenario

Following the firmness in Kapas prices, lint prices too remained firm. Currently there are no arrivals in Ganganagar.



## Cotton Fiber Weekly Price Scenario

Due to the range-bound movement in Kapas prices, cotton fiber moved northwards this week. Weekly average price of cotton (Shankar-6) at Mumbai remained Rs 47833 per candy (of 355.6 kg each) compared to the prices of previous week which was Rs. 45633 per candy.

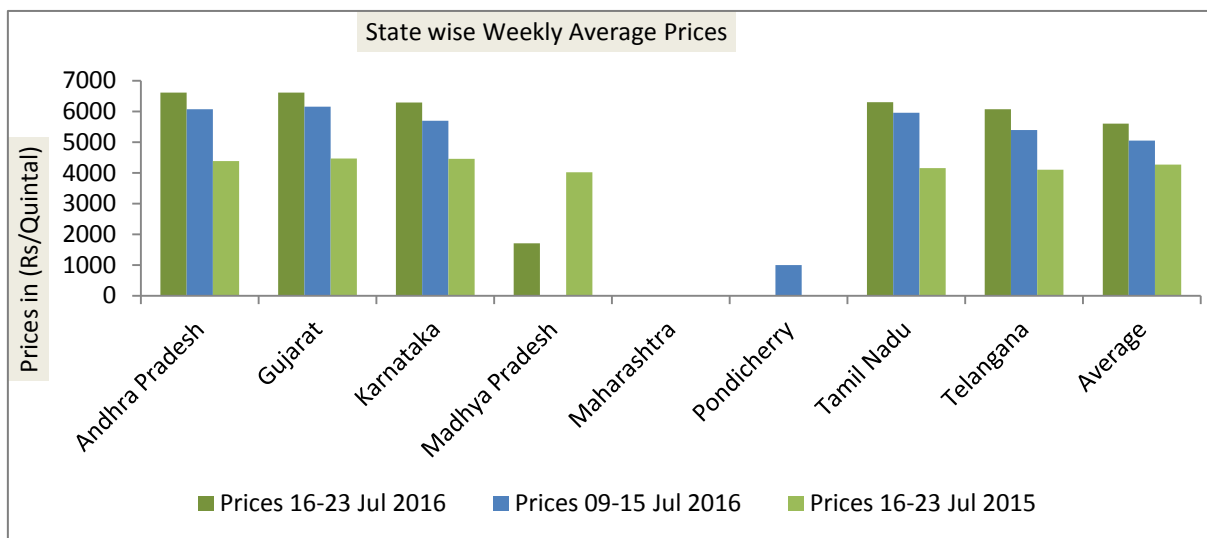


Indian Fiber price versus International Fiber Price: Indian fiber prices are ruling fairly above the international price. Against the weekly average Cotlook A Index of 84.43 cents/pound, Indian weekly average price stood at 90.51 cents/pound, making Indian fiber competitive in international market.

Weekly Price Outlook: Shankar-6 price in the coming week is expected to hover in range of Rs 47000-50000 per candy

## State wise Weekly Price Scenario

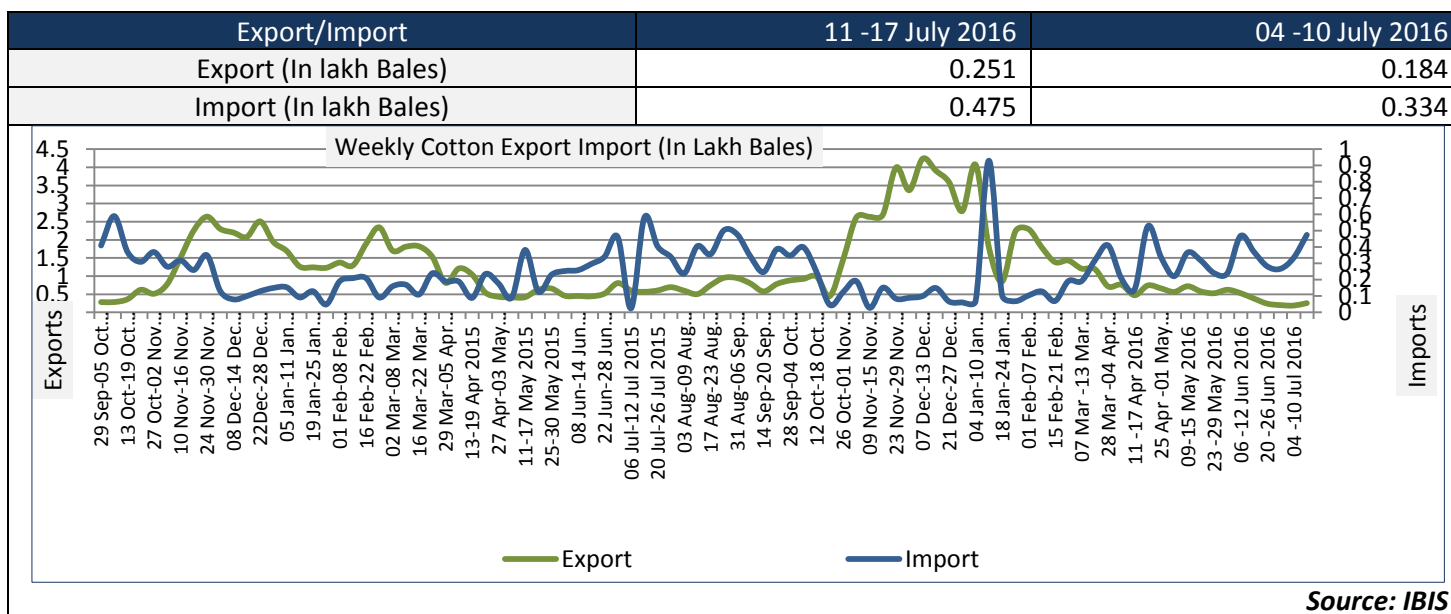
On week on week basis, prices are by and large showing firm trend in most of the States, highest price was recorded in Andhra Pradesh followed by Gujarat this week and lowest was in Madhya Pradesh followed by Telangana. On year



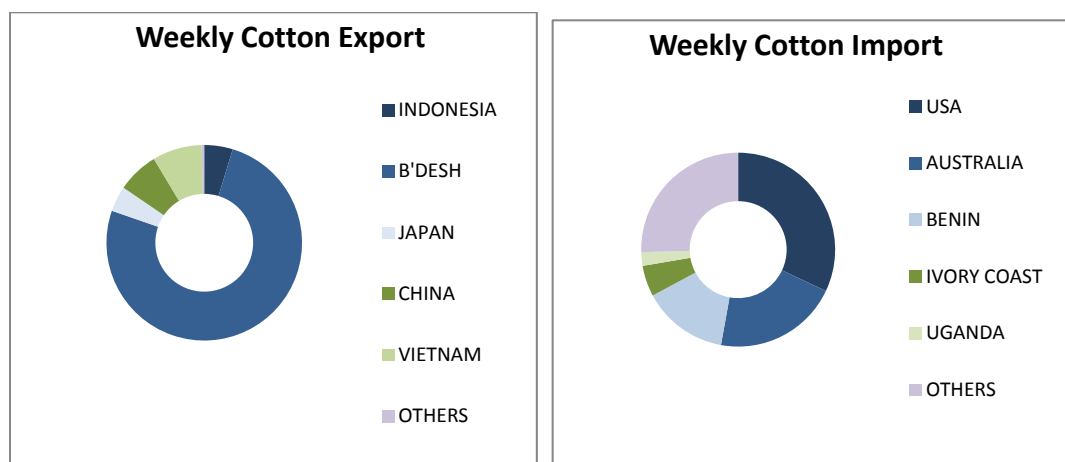
on year basis, cotton prices are reflecting uptrend in all of the States. Prices have been summarized in the table given in annexure.

### Cotton Weekly Export and Import

India exported 0.251 lakh bales of cotton last week (11 -17 July 2016), which was 0.184 lakh bales during the week before previous to last week (04 -10 July 2016), according to the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood 0.475 lakh bales last week, which was 0.334 lakh bales previous to last week.



Major importer of Indian cotton during the week (11 -17 July 2016) was Bangladesh. According to the data released by IBIS and compiled by Agriwatch, Bangladesh imported 0.190 lakh bales of cotton from India in the past week (11 -17 July 2016). Other major importers were Vietnam, China, Indonesia and Japan and their imported volumes were 0.021 lakh bales, 0.017 lakh bales, 0.012 lakh bales and 0.011 lakh bales respectively. India exported 0.251 lakh bales of cotton last week (11 -17 July 2016), which was 0.184 lakh bales previous to last week (04 -10 July 2016), according to the data released by IBIS and compiled by Agriwatch.



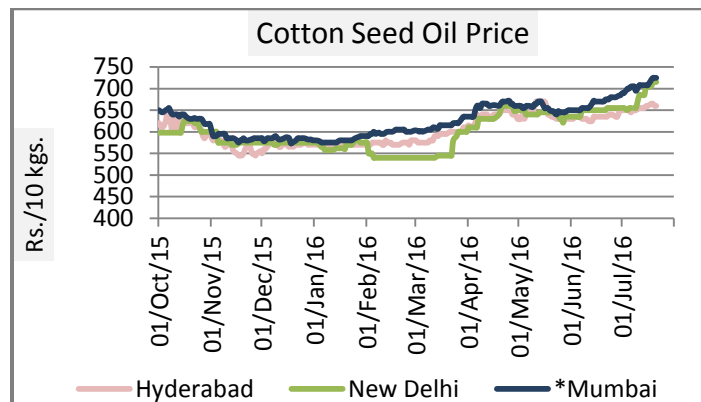
## Cotton Seed Oil and Cotton Seed Oil Cake

### Cotton Seed Oil Weekly Price Scenario

Cotton seed oil price noticed firm tone during the week. Weekly average price in New Delhi remained Rs 710 per 10 Kg, steady as compared to the weekly average price of Rs 675 per 10 Kg in previous week.

Centers	Weekly Average Price as on (Rs/10 kg.)		% Change
	21-July-16	14-July-16	
New Delhi	710	675	5.19
Rajkot	725	707	2.50
Hyderabad	662	653	1.35
Mumbai*	719	705	1.87

\*Vat Included

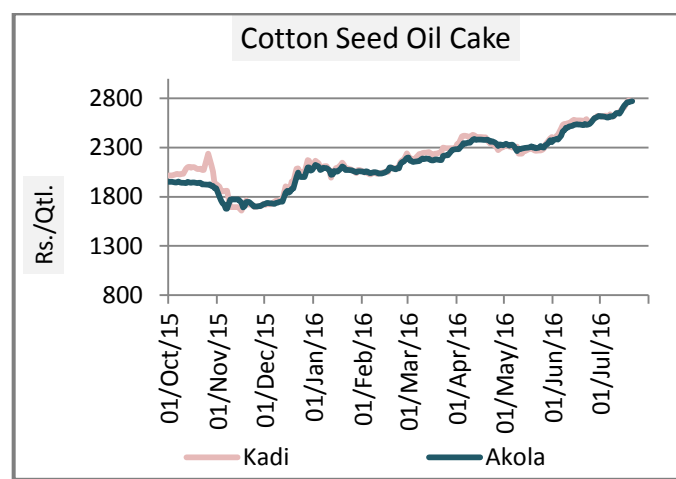


### Cotton Seed Oil Cake Weekly Price Scenario

Cotton seed oil cake price remained firm during the week. Weekly average price in Akola remained Rs 2749 per quintal, higher compared to the weekly average price of previous week of Rs 2639 per quintal.

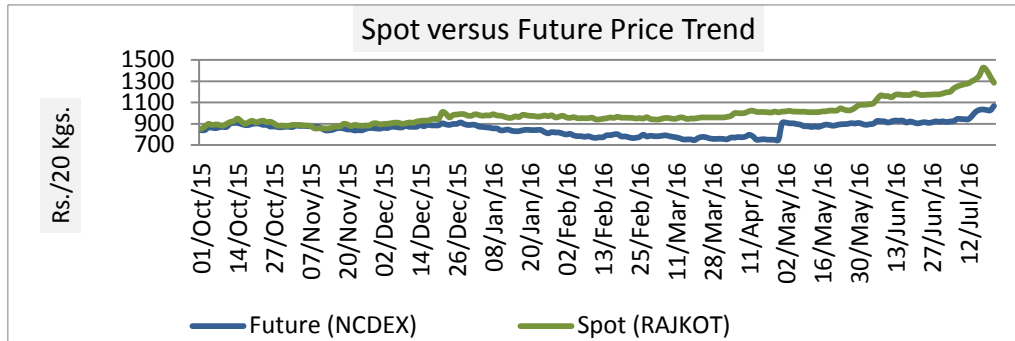
Centers	Weekly Average Price as on (Rs/quintal.)*		% Change
	21-July-16	14-July-16	
Kadi	2752	2645	4.02
Akola	2749	2639	4.14

\*Source: NCDEX



### Cotton Spot and Future Price Trend

Cotton future price closed higher this week. Kapas at NCDEX (April'17) closed at Rs 1068.50 as on 21 July 2016, compared to 1013.00 a week earlier. The gap between the spot and future prices is almost steady. Average gap between the spot and future price during the week was Rs.322.90 which was Rs 321.90 a week earlier.



### Technical Analysis of Kapas Future Prices at NCDEX(April'17 Contract)



#### Weekly Technical Outlook:

- Candlestick denotes buying interest in the prices.
- RSI is increasing in the overbought region.
- Price closed above 9 and 18 days EMA.
- We expect cotton prices to remain range bound to firm in the coming week.

#### Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound To Firm Momentum	1060-1110

#### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
1000	950	1100	1150

Figures in Rs/20 Kg



## International Market Scenario

International cotton prices remained range bound to firm during the week. Cotlook A index weekly average stood at 84.43 cents/pound this week, which was 79.26 cents/pound during last week.

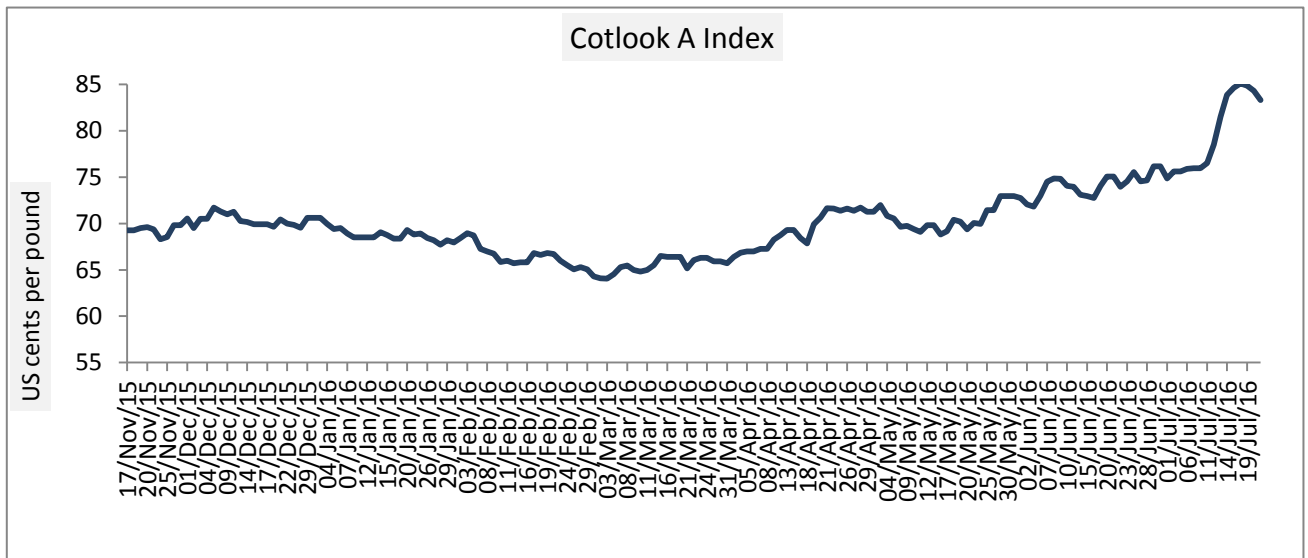
**Major Market Highlights:** According to sources at the Cotton Council International, the US is likely to double its cotton exports to Bangladesh over the next five years. Currently, the US exports 160,000 bales of cotton in a year to some Bangladeshi spinning mills, which is only 3 percent of the total consumption of cotton by the country in a year.

Pakistan is worried amid declining cotton production. Farmers are shifting to other cash crops like maize and sugarcane as they are not getting fair price for their produce. Lower production is likely to affect exports.

According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. World 2015-16 cotton production is projected at 97.92 million bales, 18 per cent below last season. World ending stocks are now projected lower at 100.27 million bales. For India, production is forecast at 26.8 million bales, same as previous month's estimates and India's crop is estimated 9 per cent below 2014/15 and the lowest since 2009/10.

### Cotlook A Index

Cotlook A index remained range bound to firm during the week following good demand in the market.



Global

cotton consumption is likely to be around 23.86 million tons in season 2015-16, which was estimated to be around 24.15 million tons a month earlier. In the earlier estimates by USDA, consumption was expected to rise but considering the current figures, cotton consumption would be standing at around 0.6% lower compared to the previous season.

Cotlook A Index	Weekly Average Price as on		% Change
	21-July-16	14-July-16	
Prices	84.43	79.26	6.5
Prices in US cents per Pound			

## China Cotton Index and Foreign Cotton Index

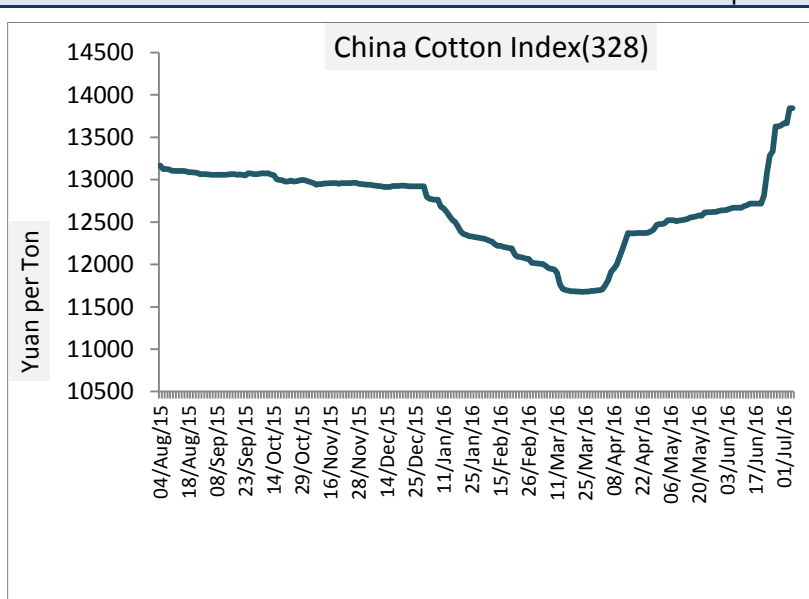
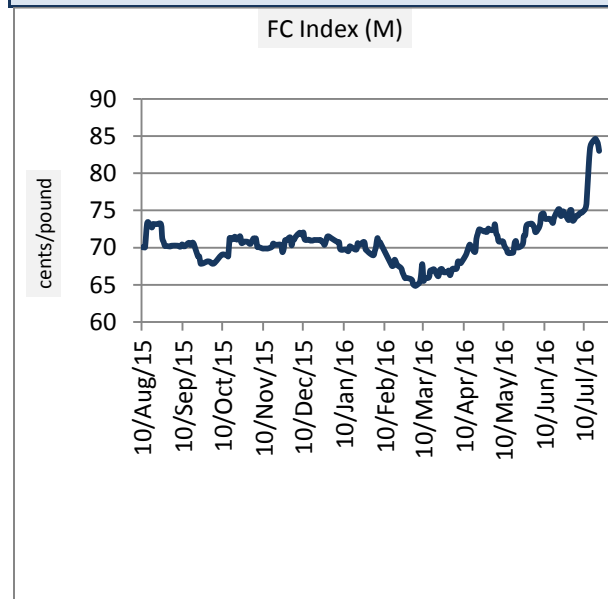
China is likely to import 1.08 million tons of cotton in 2015-16, around 9% lower compared to the estimates of 1.19 million tons previous month and around 39% lower compared to the imports of 1.80 million tons during previous season, which were 1.80 million tons, according to USDA.

China cotton imports have moved to 9 years low, according to the calculation of Reuters. The country imported 188,200 tons of cotton in December, around 28.85 per cent lower compared to the volume in the corresponding month of previous year. However till December the total volume for the calendar year stood at 1.48 million tons, the lowest level in last nine years, according to Reuters.

Cotton Index	Weekly Average Price as on		% Change
	21-July-16	14-July-16	
FC (S)	86.45	80.72	7.10
FC (M)	83.98	77.71	8.06
FC (L)	80.69	75.00	7.58
Prices in US cents per Pound			

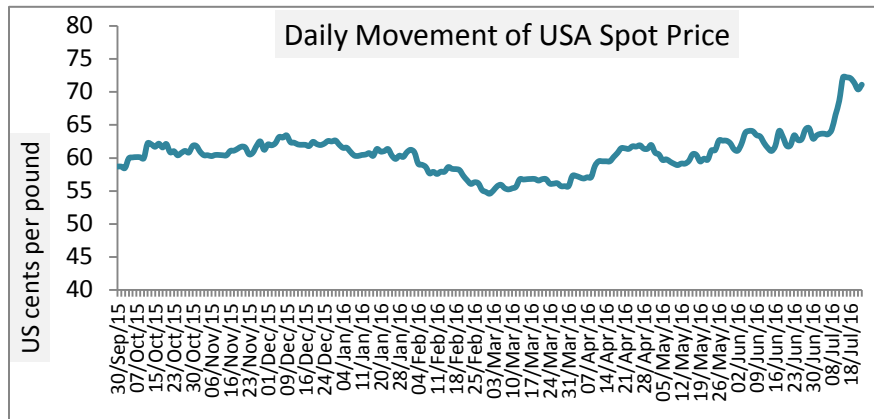
China Index remained firm during the week. CC Index (328) remained 13452 Yuan per ton during the week. Average was 12754 Yuan per ton during previous week.

Cotton Index	Weekly Average Price as on		% Change
	21-July-16	14-July-16	
CCIndex(229)	14521	13754	5.57
CCIndex(328)	13452	12754	5.47
CCIndex(527)	14805	14046	5.40
Prices in Yuan per ton			



## USA Spot Prices

According to USDA latest report, global 2015/16 cotton ending stocks are revised down this month. Production in India and Pakistan is estimated to be lower, in India and Pakistan, based on arrivals at gins, but higher in European Union. The 1.0-million-bale reduction in India's crop reflects an early withdrawal of monsoon rainfall combined with pest damage in the northern States. World ending stocks are now projected at 102.08 million bales.

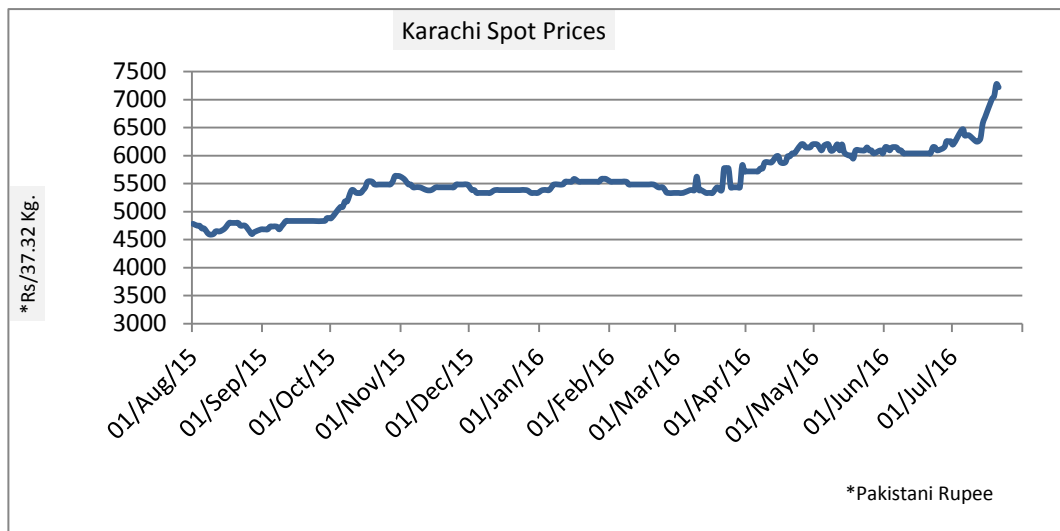


USA Spot Prices	Weekly Average Price as on		% Change
	21-July-16	14-July-16	
Prices	71.41	67.90	5.17

Prices in US cents per Pound

## Pakistan Spot Prices

Pakistan has lowered the cotton production target for the season 2016-17 to 141.01 lakh bales. The country has had set the target of 154.9 lakh bales for the season 2015-16 a year earlier which has been revised thrice and is now expected to be around 96.87 lakh bales due to the severe crop loss of 34% due to pest attack. The lower production in the country may

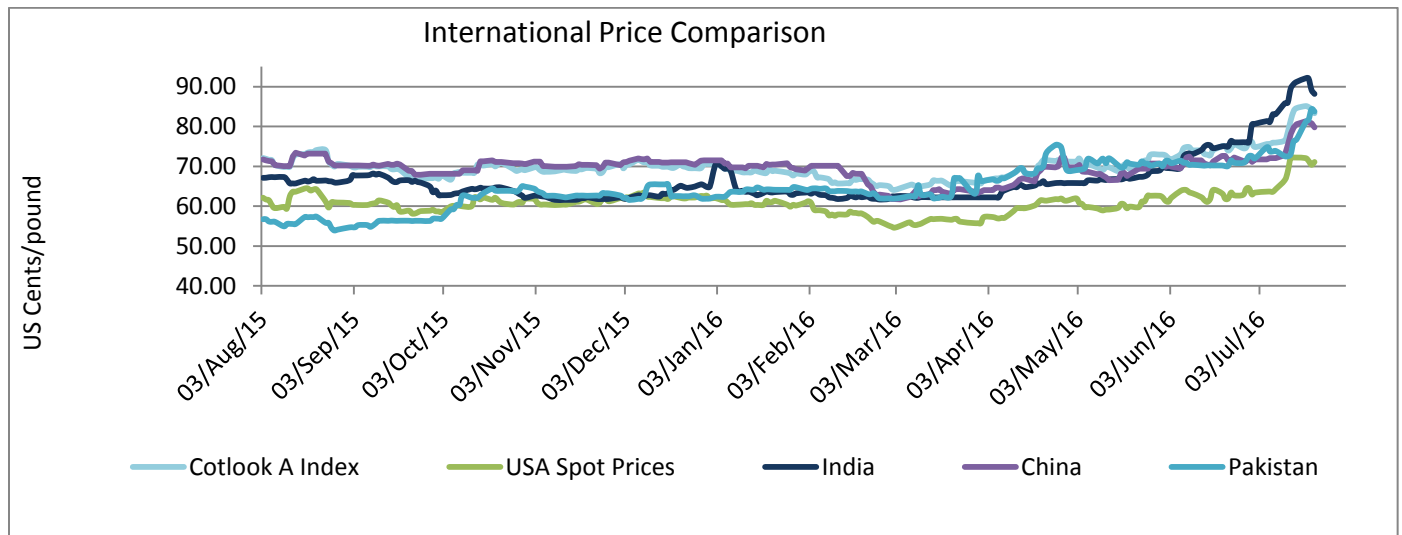


open channels for the more exports from India, as Pakistan would import to fulfill its domestic demands.

Karachi Spot Prices	Weekly Average Price as on		% Change
	21-July-16	14-July-16	
Prices	7047	6350	10.97

Prices in Rs per 37.32 Kg

### International Price Comparison



### Technical Analysis of Cotton Future (Dec'16 Contract) at ICE



#### Weekly Technical Outlook:

- Candlesticks denote weak tone in the prices.
- Volume and Open Interest are increasing.
- We expect cotton prices to remain range bound to firm.

#### Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range bound to Bullish Momentum	71.00-75.00

#### Expected Support and Resistance

Support 1	Support 2	Resistance 1	Resistance 2
70.00	68.50	75.00	76.50
Figures in US cents/pound			

**Cotton Future Prices at ICE**

Contracts	21-July-2016	Week ago	Month ago	Year ago	%W-o-W change	% M-o-M change	%Y-o-Y change
Oct-16	72.66	73.82	64.02	65.40	-1.57	13.50	11.10
Dec-16	72.97	73.87	64.39	64.24	-1.22	13.33	13.59
Mar-17	73.52	73.54	65.03	NA	-0.03	13.06	NA
May-17	73.52	73.33	65.50	NA	0.26	12.24	NA
Jul-17	73.37	73.05	65.96	NA	0.44	11.23	NA
Oct-17	72.78	72.36	NA	NA	NA	NA	NA

**Domestic Cotton Prices and Arrivals at Key Centers**

Commodity	Kapas		Weekly Average Prices (Rs./Quintal)		Change
State	Centre	Variety	16th to 22th July.16	09th to 15th July.16	
<b>Gujarat</b>	Ahmedabad	Shankar-6	6750	6193	558
	Gondal	Shankar-6	6735	6187	548
	Rajkot	B.T. Cotton	6778	6488	290
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	5480	-
<b>Punjab</b>	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
<b>Haryana</b>	Bhiwani	B.T. Cotton	6408	6275	133
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	6500	6395	105
	Fatehabad	B.T. Cotton	6463	6383	79
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-
	Dabwali	B.T. Cotton	NA	NA	-
<b>Rajasthan</b>	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
<b>Madhya Pradesh</b>	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
<b>Maharashtra</b>	Amravati	Mech-1	NA	6806	-
	Jamner	Medium Staple	NA	NA	-
<b>Uttar Pradesh</b>	Hathras	B.T. Cotton	NA	NA	-

	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	4475	4325	150
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	4100	NA	-
	East Godavari	Un-Ginned	4150	4150	Unch
Karnataka	Bijapur	Bunny	6848	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	6056	6338	-283
Commodity	Lint		Prices (Rs./Maund of 37.32kg each)		Change
State	Centre	Variety	16th to 22th July.16	09th to 15th July.16	
Punjab	Bhatinda	J-34	4915	4807	108
	Abohar	J-34	4906	4806	100
	Mansa	J-34	NA	NA	-
	Muktsar	J-34	NA	NA	-
	Fazilika	J-34	NA	NA	-
Haryana	Sirsa	J-34	4927	4788	139
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

### Cotton Arrivals in Key Centers:

Commodity	Kapas		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	16th to 22th July.16	09th to 15th July.16	
Gujarat	Ahmedabad	Shankar-6	NA	6970	-
	Gondal	Shankar-6	117	2045	-1928
	Rajkot	B.T. Cotton	1245	1150	95
	Patan	B.T. Cotton	NA	NA	-
	Kadi	B.T. Cotton	NA	NA	-
	Deesa	B.T. Cotton	NA	NA	-
	Dhrol	B.T. Cotton	NA	3	-
Punjab	Fazilika	B.T. Cotton	NA	NA	-
	Muktsar	B.T. Cotton	NA	NA	-
Haryana	Bhiwani	B.T. Cotton	700	1100	-400
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	782	1182	-400
	Fatehabad	B.T. Cotton	NA	NA	-
	Jind	B.T. Cotton	NA	NA	-
	Uchana	B.T. Cotton	NA	NA	-

	Dabwali	B.T. Cotton	NA	NA	-
Rajasthan	Hanumangarh	B.T. Cotton	NA	NA	-
	Rawatsar	B.T. Cotton	NA	NA	-
Madhya Pradesh	Khandwa	Mech-1	NA	NA	-
	Khargaon	Mech-1	NA	NA	-
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	NA	NA	-
	Hathras	Desi	NA	NA	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Guntur	Un-Ginned	NA	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	780	NA	-
	Hubli	D.C.H.	NA	NA	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	112	172	-60
Commodity	Lint		Weekly Sum Arrivals (Quintal)		Change
State	Centre	Variety	16th to 22th July.16	09th to 15th July.16	
Punjab	Bhatinda	J-34	NA	NA	-
	Abohar	J-34	NA	NA	-
	Mansa	J-34	NA	NA	-
Haryana	Sirsa	J-34	NA	NA	-
Rajasthan	Sri-Ganganagar	J-34	NA	NA	-

### Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Weekly Average Prices		+/- Change
				15th to 21th July.16	08th to 14th July.16	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	34767	34350	417
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35267	34850	417
J-34(202)	26mm	3.5 - 4.9	23	46150	44317	1833
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	47100	45133	1967
Shankar-6(105)	29mm	3.5 - 4.9	28	47833	45633	2200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	49767	47783	1984
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	50467	48417	2050
DCH-32(107)	34mm	3.0 - 3.8	33	56433	56283	150

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